

To The Members of the California State Senate:

I am returning Senate Bill 1555 without my signature.

While well-intentioned, this bill reflects a difficult policy choice: protect access to affordable health insurance products that an average Californian can purchase or mandate that every person who pays for their own health insurance buys coverage for maternity services.

The Kaiser Family Foundation and Health Research and Educational Trust recently determined that health insurance premiums have steadily risen by double digits every year since 2001. In this period of significant premium inflation for consumers, mandating Californians to purchase new benefits is counterproductive to efforts to make health insurance more affordable and available to low-to-moderate income people or those who do not receive employer-sponsored coverage. I am sincerely concerned that enactment of this legislation would force Californians that purchase their own coverage, for themselves and their children, out of the health insurance market altogether. In fact, the California Health Benefits Review Program determined that nearly 2000 Californians would lose their health insurance coverage as a result of this legislation.

Ultimately, consumer choice and affordability prevailed in my mind over a mandated benefit which is currently and abundantly available in the market. Statistics show that over 97% of those insured have coverage for maternity services with the remaining 3% choosing not to purchase such coverage.

Since there is not an issue of consumer access or availability being addressed by this bill, mandating that children, men, and women past child-bearing years needlessly purchase this coverage is not sound public policy. Before new mandates are created, the barriers to accessibility should first be addressed. Affordability of coverage is paramount to begin decreasing the number of uninsured Californians.

This bill mandates every individual or group health insurance policy to cover maternity services.

For these reasons I am returning this bill without my signature.

Sincerely,

Arnold Schwarzenegger